



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

October 13, 2009

Transmitted Via Email

Kim Farnham, Director
Workforce Analytics and Planning
Safeway, Inc.
11555 Dublin Canyon Road
Pleasanton, CA 94588
Kim.farnham@safeway.com

Dear Ms. Farnham:

RE: FINAL MONITORING VISIT REPORT for Safeway 4 - ET08-0229

| | | |
|---------------------------------------|---|------------------|
| Date of the Visit: | 10/07/09 | 10/13/09 (phone) |
| Beginning/Ending Time: | 10:30 a.m. – 1:30 p.m | |
| Date of Last Monitoring Visit: | 03/20/09 | |
| Visit Location: | Pleasanton, California | |
| Persons in attendance: | Kim Farnham, Terry Hall, and Daniel Lopez - Safeway, Inc. Lily Lai – Employment Training Panel | |
| Action Required: | No | |

CONTRACT INFORMATION:

| | | | |
|---|---------------------|-----------------------------|-----------|
| Term of Agreement: | 10/09/07 – 10/08/09 | Agreement Amount: | \$982,680 |
| Training Start Date: | 10/25/07 | No. to Retain: | 862 |
| Date Training must be Completed: | 07/09/09 | Range of Hours: | 24 - 200 |
| Type of Trainee: | Retraitees | Weighted Ave. Hours: | 76 |

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FINAL REPORT SUMMARY

The Agreement was executed on June 2, 2008. One revision was processed during the Agreement term to add a course to the CBT curriculum.

| Job # | Planned to Retain | Completed Training and Retention | Reimbursable Hours Tracked on the ETP Class/Lab System | Approximate Potential Earnings |
|-------|-------------------|----------------------------------|--|--------------------------------|
| 1 | 862 | 126 | 4,696 | \$68,072 |

According to the data entered into the ETP Class/Lab Tracking System, training started on October 25, 2007, and ended on July 2, 2009. A total of 1,465 trainees were enrolled, but only 126 completed at least the minimum number of training hours and the required retention period. Based on the 4,358 class/lab hours and 337 CBT hours recorded for trainees meeting the minimum hours, your company can potentially earn \$68,072, which represents six percent of the approved amount.

INTERVIEW WITH CONTRACTOR REPRESENTATIVE:

According to Ms. Farnham, the low completion rate was a result of the sour economy, which placed Safeway operating in a surviving mode, meaning that training was mainly focused on improving the retail end of the business. Safeway decided at contract development not to include retail because very few frontline retail workers would qualify for SET funding reimbursement. Ms. Farnham stated that if the SET funding criteria were more flexible, it would have really helped Safeway. The investment types of training that were in the ETP Agreement was put into low priority status with fewer classes held than planned. Because Safeway's training budget was reduced, it could not afford to front the money needed for the training and wait for reimbursement from ETP. Ms. Farnham thought the quarterly visits were helpful in keeping the company on track and vigilant about documentation and record keeping.

Ms. Hall stated that it is difficult to quantify the benefits of the training; however, based on anecdotal information, she can say that the training was well received and believes that employees who received training are more skilled. Ms. Hall further stated that ETP funding was instrumental in keeping a lot of the IT training going during the tough economic times as internal training budget was reduced.

ATTENDANCE ROSTERS:

At this visit, Ms. Lai randomly selected and reviewed the attendance records of 17 trainees who were eligible for final payment. The review of the training records revealed that they were completed correctly and complied with ETP record keeping requirements.

Please be advised that these findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. It is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442]

AUDIT:

Safeway, Inc. will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Lily Lai at 650.655.6934 or llai@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,



Rosa Hernandez, Manager
Sacramento Regional Office



Lily Lai, Contract Analyst
San Francisco Bay Area Regional Office

cc: Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor _____